

AGENDA



Thursday, November 8, 2007

**Economic Growth & Redevelopment Services
RECOMMENDATION FOR COUNCIL ACTION**

Item No. 16

Subject: Approve an ordinance setting the assessment rate and proposed 2008 assessment roll for the Austin Downtown Public Improvement District (PID).

Amount and Source of Funding: The 2008 assessment rate of \$0.10/\$100 valuation is estimated to produce \$2,111,544 at an approximate 96% collection rate.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Michael Knox, Downtown Officer/974-6415; David Lloyd, Attorney/974-2918

Prior Council Action: Reauthorized the Austin Downtown PID and extended the DAA management contract on 10/18/07.

The Downtown Austin Public Improvement District (PID) encompasses an area of approximately 650 acres, from I-35 westward to San Antonio and from MLK to south of Lady Bird Lake. The PID was created by the City Council April 15, 1993 to provide constant and permanent funding to implement certain downtown initiatives. Since then, the City has maintained a contract with the Downtown Austin Alliance to manage the Downtown PID.

This action will approve the proposed Austin Downtown Public Improvement District assessment rate and proposed roll for 2008. Approval of the proposed roll is necessary so that notices may be sent to the property owners, giving them an opportunity to review the property valuations prior to the public hearing. All previously approved exemptions and exclusions from assessments are retained in this year's roll. State law requires Council approval of a proposed roll. (Council requested that this assessment process be timed so that it coincides with the receipt of other tax bills.)

A related item sets a public hearing on Thursday, December 6, 2007 to consider the 2008 assessment roll for the Austin Downtown PID. State law requires a public hearing by Council to consider the proposed assessments. Each property owner has a right to appear at the hearing. The Downtown Austin Alliance submitted a 2008-2009 budget for the PID in the amount of \$2,279,261. This budget will be funded from a total projected revenue of \$2,379,261. This amount includes \$2,111,544 in 2008 assessments (at an approximate 96% collection rate), \$24,829 in collections from 2007; \$92,888 interest accrued in the PID Account and late payments; and a \$150,000 annual contribution from the City of Austin (\$75,000 Austin Convention Center Fund, and \$75,000 in the Water & Wastewater Utility Fund). \$100,000 of the total amount will be retained as a reserve fund to cover adjustments to assessments resulting from settlements between property owners and the Travis Central Appraisal District or court settlements. Approval of the proposed PID budget and the ordinance adopting an assessment rate and proposed assessment roll are the first steps in the annual process of approving PID assessments.